

British Debt Settlement Would Boost Business Up

Babson Says Important Developments Are Near at Hand
In International Debt Situation; Shows How Business Would Benefit From An Agreement

BY ROGER W. BABSON,
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Financial Bureau.

Babson Park, Fla., Jan. 28.—Approaching settlement of the British debt is indicated by the recent conference at the White House. This may prove the necessary spark to set in motion a real revival in security prices, commodities and business. Both President Hoover and President-elect Roosevelt realize that settlement of the British debt is a necessary preliminary to stabilizing the pound sterling, and hence to stabilizing the exchanges of many countries whose currencies are linked to sterling. Since depreciated and fluctuating foreign exchanges are today one of the chief drawbacks to rising prices in the United States, including farm prices, some settlement of war debts would be a vital, constructive move. One suggestion is that Great Britain may be allowed to pay, at a reduction from the present debt, a lump sum as a final settlement, raising the money through a large bond issue.

How Business Would Benefit.

I have never advocated cancellation of the war debts and I do not now. However, some reasonable revision of the debt seems inevitable and salutary. The United States is faced with two alternatives—first, to refuse a reasonable revision, force Britain to default, get no money, and hold back world recovery, including our own; or second, accept a reasonable compromise with Britain and receive a large payment, sufficient indeed to balance our budget for the current fiscal year without additional taxes. Although it seems doubtful that the present Congress can do much toward such a settlement, the way is being paved for early action in the next administration. Perhaps Roosevelt may make this his master stroke, for which the Democratic administration will get credit in the future as having broken the world depression.

The United States should insist, however that in return for the revision of the British debt, England should stabilize the pound sterling, preferably on a gold basis, even though below its old-time parity. This would stabilize other exchanges and make possible the resumption of more normal trade relations. The settlement of the British debt would at once benefit United States business in the following ways: (1) By stabilizing exchanges, it would increase our export trade of both industrial and farm products. (2) It would pave the way for international monetary agreements that would prevent dumping of foreign goods in our markets at ruinous prices. (3) It would restore financial confidence in world recovery; stocks and bonds would rise; banks would loan more freely to our industries; commodities would advance; and the whole machinery of business would receive a strong impulse for increased activity. (4) It would help restore good will between two great nations and pave the way for reduction of tariffs, armament restriction, and ultimate reduction of heavy tax burdens.

Should Preserve Gold Standard.
Even though the United States might eventually revalue the gold ounce to relieve internal distress and help in trade competition with revalorized foreign currencies, gold is still the accepted standard to which world currencies should be tied. If we insist on drawing gold from England for war debts, instead of allowing her to revise and refund her debts through bond issues, we effectually prevent her from returning to the gold standard. We also prevent her from stabilizing the currencies of a dozen other nations with whom we trade. Far better for our farmers and workers that we arrange a final settlement of these war debts, and thus bring order out of chaos in foreign exchanges. Owing to the drop in the value of the British pound and other currencies, our farmers and manufacturers are at a great disadvantage.

They cannot sell, on equal terms abroad, and they find it very difficult to compete with low priced imports at home.

Depreciation of foreign exchanges ranging from 13 per cent to 59 per cent below the United States dollar is equivalent to an added tariff of the same amount on American exports, and equivalent to a breaking down of our tariff on imports. Thus it strikes our industries and farmers from both sides.

World Cooperation Needed.

The official view is that Great Britain, having met her debt obligations faithfully, is entitled to every consideration in reaching a settlement. France, however, must first prove her sincerity by making the payment upon which she recently and wilfully defaulted. Some observers believe that France now repents her hasty action and may soon square up her accounts as a dramatic gesture for goodwill and world recovery. At any rate the world is rapidly learning that recovery can never come from economic and political warfare. It was individual and national greed, selfishness, and hatred that brought about the present troubles. When people and nations substitute the Christian spirit of cooperation for the Un-Christian spirit of suspicion and hatred, world recovery will be assured.

Business as registered by the Babsonchart now stands at 13 per cent below a year ago.

HITCH-HIKING BILL APPARENTLY KILLED

Given Unfavorable Report
by Roads Committee Following Hearing

Daily Dispatch Bureau,
In the Sir Walter Hotel,
BY J. C. BASKERVILLE.

Raleigh, Jan. 28.—College students of North Carolina are thanking a kind-hearted bunch of legislators who compose the road committee of the General Assembly today for killing a measure which would have prevented many of them in the future from bumming a ride home over the week-end.

As a result of the roads committee's action, the students may continue this practice which has become in recent years largely associated with them, but Senator Corey, of Pitt, author of the bill, advances the dire prediction that if the practice continues, North Carolina's next generations may be a crowd of bums instead of gentlemen.

He so told the roads committee in urging the passage of his bill. He also informed them that the practice was becoming so bad in North Carolina that people who actually had money to buy bus and train tickets were resorting to "thumbing," and that North Carolina is getting the reputation of being a hitch-hikers' paradise.

The bus companies, he said, were losing fares as soon as the buses reached the North Carolina-Virginia line. Virginia has a hitch-hikers' law and north-south bound passengers, he said, often get off at the State line and proceed to hitch-hike until they get to Florida. Not only boys and girls are engaged in this practice, he said, but also "respectable looking men and women."

Another most expressed opposition to the Corey bill has come from college students, little or no opposition was heard in any quarter during the committee hearing. The committee-men listened to Senator Corey explain his bill and then voted to report it unfavorably.

Are You Hesitating About Buying the Things You Need and Can Really Afford?

*Does timidity or fear of criticism keep you
from doing a real service to the country
and to the unemployed?*

It is true that many people have been hard hit by the depression and struggling to make both ends meet. We all know it is difficult for them to make many purchases beyond the bare needs of existence.

There are many thousands of men and women, however who are still receiving a fair income and who could be of tremendous help in aiding the business revival. All you need to do is to buy the things you need and can actually afford.

That doesn't mean that you should buy extravagantly, wastefully, or recklessly. It simply means buying what you need when you need it in a normal, natural way.

Have you been hesitating about buying because of timidity or a fear that you might be criticized? Exactly the reverse should be true.

You are doing a real service to the country, to the unemployed and to yourself when you purchase the things you need and can afford to buy. Every purchase that you make now—large or small—helps to create work and wages for those less fortunate than yourself.

When you buy a new dress or a new pair of shoes or a new radio or a new refrigerator or a new car you help to give work and wages to people in many sections of the country. When you have the house repainted, rooms repapered or the roof fixed you directly assist other deserving workmen—perhaps in your very neighborhood.

Nothing you could possibly do for those who need help could be more helpful or resultful than this. Sincere, honest, deserving people everywhere would rather have work than charity.

That's the big, broad humanitarian side of it. The other side is what it means to you personally to buy the things you need and can afford to purchase now. Never were such bargains available. Never were prices so low.

But price isn't everything. Today, as always, quality is the important thing to look for. It pays to buy standard, trade-marked merchandise from firms you can depend on. You're almost always disappointed when you experiment with some unknown brand just because it is cheap.

From day to day in this newspaper are advertisements featuring many unusual values. Read them and take advantage of the opportunities they offer. Business revival will be speeded up if people will again buy the useful, necessary things they need and can afford to purchase.

Saved From Davy Jones Locker



Ten of the twenty-two survivors of the foundered British freighter Exeter City, photographed on their arrival in New York aboard the rescue ship, American Merchant. The captain and three members of the crew of the sunken vessel were washed overboard and drowned when a gigantic wave carried away the bridge of the disabled freighter. The survivors were rescued with great difficulty by sailors from the American Merchant.

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